

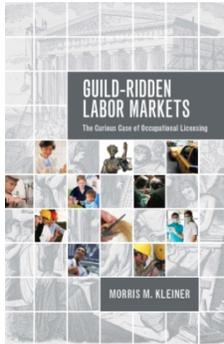


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Guild-Ridden Labor Markets

The Curious Case of Occupational Licensing

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"No one has done more to put the issue of occupational licensing firmly on the policy agenda than Morris Kleiner. This careful book brings together his path-breaking scholarship on the issue, effortlessly combining economics, history, law, statistical analysis, and a keen understanding of the politics involved. Kleiner is the world's leading scholar of occupational licensing, and this book should stand as a reference for decades to come." — Justin Wolfers, University of Michigan

KALAMAZOO, Mich.—Why care about occupational licensing? Because occupational licensing is a labor market institution that is rapidly growing in scope and influence. Currently, nearly 30 percent of workers in the United States require a license to work for pay, and more than 800 occupations have licensing requirements in at least one state. It is also a growing factor in the labor markets of countries around the world, including China and those in the European Union. Add to this the fact that occupational licensing impacts the market for services in a number of critical ways, and it's easy to conclude that this is a subject that merits heightened attention.

This is what Morris Kleiner brings in his new book from the Upjohn Press. In ***Guild-Ridden Labor Markets: The Curious Case of Occupational Licensing***, Kleiner examines why occupational licensing has grown over the past 50 years, why some occupations are regulated and others are not, and the economic impacts that licensing imposes on labor market mobility, wage determination, prices, and the quality of services delivered.

Kleiner begins by presenting a historical overview of the evolution of occupational licensing, highlighting three occupations that progressed from no or little regulation to full licensing requirements. Next, he looks at the aggregate costs resulting from licensing, both in dollars to consumers (as much as \$203 billion per year) and jobs (up to 2.8 million fewer) as

well as licensing's impact on labor market mobility and the quality of services provided. He explains how licensing determines who may perform certain services and then broadens his focus by looking at licensing in different institutional and international contexts.

Kleiner closes with a call for more flexible reciprocity between states for professions such as physicians, dentists, and teachers in order to allow labor markets to operate more efficiently. He also points out that states may want to loosen licensing requirements for certain jobs: where occupations such as tour guides, travel agents, and locksmiths currently require licenses in some states, perhaps a lesser form of regulation—e.g., certification,—would better serve consumers.

Overall, this book delivers a nontechnical examination of occupational licensing that will afford a variety of readers a deeper understanding of the guild-like institution that is occupational licensing.

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“Morris Kleiner presents hard data and examples of the significant increase in occupational licensing. He makes the case that such regulatory activity—long thought harmless—reduces access to jobs, stymies labor mobility, and increases costs to consumers. These are all factors that make our economy less competitive and may impede opportunities for the less privileged to access the American Dream.” – Lauren Larson, Director, Colorado Division of Professions and Occupations

Morris M. Kleiner is professor at the Humphrey School of Public Affairs at the University of Minnesota–Twin Cities. He is also a research associate in labor studies with the National Bureau of Economic Research and a visiting scholar in the economic research department at the Federal Reserve Bank of Minneapolis and at the W. E. Upjohn Institute. Kleiner received a doctorate in economics from the University of Illinois. His two previous books from the Upjohn Press are ***Stages of Occupational Regulation: Analysis of Case Studies*** (2013) and ***Licensing Occupations: Ensuring Quality or Restricting Competition?*** (2006).

Guild-Ridden Labor Markets: The Curious Case of Occupational Licensing, by Morris M. Kleiner, is published by the W.E. Upjohn Institute for Employment Research. November 2015. 107 pp. \$14.99 paper 978-88099-501-6. PDF is free at <http://www.upjohn.org/sites/default/files/WEfocus/guild-ridden-labor-markets.pdf>. Opinions expressed are solely those of the author. We encourage you to request a review copy of this book. Contact: Rich Wyrwa.

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